June 22, 2018

Reference Request for Proposals #3000010555 soliciting Proposals from any qualified Louisiana HMO that meets the criteria set forth in La. R.S. 42:802.1 (C), to provide fully-insured Health Maintenance Organization ("HMO") coverage on a statewide or regional basis for eligible active employees, eligible retirees, and eligible dependents.

Addendum #1 provides responses to written inquiries received by the deadline stated in the Request for Proposals.

THIS ADDENDUM IS HEREBY OFFICIALLY MADE A PART OF THE REFERENCED REQUEST FOR PROPOSALS.

INQUIRIES AND RESPONSES

No	Inquiry	Response
1	Section 1.9 (H) of the Request for Proposals (RFP) states that "the proposed monthly premium may be deemed competitive if it is not higher than the current rate for OGB's Magnolia Local Plus plan… the "current rate" means the premium rate... that is or will be in effect on the date of implementation…" In years past, Vantage has been provided with the Magnolia Local Plus premium in advance of the annual enrollment period. Please advise if the Magnolia Local Plus premium would again be supplied in advance, and if so, when Vantage would receive it.	For OGB's monthly premium rates effective January 1, 2018, reference: http://info.groupbenefits.org/premium-rates/ OGB does not anticipate any rate changes effective January 1, 2019.
2	Section 2.2 of the Scope of Services, the second paragraph states: "When the Contractor or one of its network providers arrange for services covered under the fully-insured HMO plan by a non-network provider, the participant's services covered under the fully-insured HMO plan by a non-network provider, the participant's financial liability shall be limited to the amount the participant would have had to pay, if any, had the service been rendered by a network provider. Balance billing is prohibited in such instances." As required by La R.S. 22:1880 and as included in the Vantage and Magnolia Local Plus member handbooks, "Healthcare services may be provided to You at a Network healthcare facility by facility-based physicians who are not in Your health plan's Network. You may be	OGB will not rephrase this requirement. For clarification purposes, balance billing is prohibited when the fully-insured HMO Contractor or its network provider arranges for covered services to be rendered by a non-network provider.

No	Inquiry	Response
	responsible for payment of all or part of the fees for those Non-Network services, in addition to applicable amounts due for Copayments, Coinsurance, Deductibles and non-Covered Services." In accordance with this statute, it is Vantage's regular policy that if network or service limitations result in a member using an out-of-network provider, the out-of-network services are covered using the member's in-network cost share. However, because the provider is out-of-network and there is no provider agreement, balance billing may still occur. Please clarify the content and extent of the cited portion of Section 2.2.	
3	Section 2.4 of the RFP lists the Performance Guarantees. The last row of the Performance Guarantees chart states: "Required Membership Materials: Required membership materials shall be distributed by contractor to each new Plan Participant within thirty (30) days of receipt of confirmation from OGB as to the validity of the enrollment application." Vantage's preferred practice would be to mail membership materials to members 20 days prior to their effective date. We have found that mailing materials too far in advance of a member's effective date creates confusion in the following ways: • uncertainty as to when the coverage starts; • coverage cancellation (retroactive) before the effective date; or • losing or misplacing materials due to the longer timespan between enrollment and effective date. For example, OGB may send an enrollment transaction in December indicating an April effective date. According to Section 2.4's 30-day requirement, materials would be sent in January. In addition, it is not uncommon for coverage to be cancelled prior to the actual plan start date. As a result, early mailing is not as effective as the mailing of the membership materials closer to the member's actual plan start date.	OGB will not rephrase this requirement.

No	Inquiry	Response
	Please advise if Vantage's 20-day material mailing policy would be acceptable.	
4	Sections 2.4 and 4.2 of the Scope of Services and Section 3.6 of the sample Contract describe the "Performance Guarantees." Section 4.2 states: "The Contractor will be subject to negotiated performance standards subject to a penalty of twenty-five (25%) percent of the total contracted cost, plus per day and per occurrence fees for certain performance guarantees." Please clarify the meaning of "total contracted cost" in this context. Vantage must meet Medical Loss Ratio requirements, (i.e., 85% of premiums received are required to be used for claims and other quality costs). The remaining 15% of premiums are used for plan administration and margin. This plan is a fully-insured HMO, and Vantage bears all risks associated with plan benefits. This is in contrast to the Blue Cross self-insured plans for which "total contracted cost" are third party administrator (TPA) fees only. As a result, the penalty calculation for Vantage could be substantially higher if it is based on total premium dollars. Please confirm "total contracted cost" is referring to the 15% of premium used for administration and margin.	"Total contracted cost" as referred to in Section 2.4 and 4.2 of the Scope of Services and Section 3.6 of the Sample Contract indicate the premium used for plan administration and margin, which is fifteen percent (15%) of the of the total premium payable for the twelve (12) month period effective January 1, 2019 and each subsequent calendar year of the contract.